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March 3, 2006

HAND DELIVERY

Charles L. A. Terreni, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RECEIVED
2006 MAR -3 AM 10:31
SC PUBLIC SERVICE
COMMISSION

RE: In the Matter of the Application of Sprint Long Distance, Inc. for Authority
To Provide Resold and Facilities-Based Competitive Local Exchange Service
Docket No.: 2005-407-C

Dear Mr. Terreni:

Enclosed please find an original and ten (10) copies of the Settlement Agreement in the above between the Sprint Long Distance, Inc. ("Sprint") and Office of Regulatory Staff and together with Certificate of Service on the Office of Regulatory Staff. I have included an extra copy of both which I would ask you to date stamp and return to me via my courier.

As you will notice from the enclosed Settlement Agreement, the parties to this proceeding have agreed and consented to the Sprint's Motion for Expedited Review of its Application and to the Commission's granting Sprint authority to provide resold and facilities-based competitive local exchange service. Sprint would respectfully request that the Commission consider and grant Sprint's Motion for Expedited Review at next the agenda meeting and grant Sprint the relief requested in its Application.

Thank you in advance for your assistance. If you have questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.


Scott Elliott

SE/jcl

Enclosures

cc: All parties of record w/enc
Cheryl Sweitzer

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-407-C

March 2, 2006

IN RE:

**Application of Sprint Long Distance,)
Incorporated for Authority to)
Provide Resold and Facilities-Based)
Competitive Local Exchange Service)
in the State of South Carolina)
_____)**

SETTLEMENT AGREEMENT

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This Settlement Agreement (“Settlement Agreement”) is made by and between the Office of Regulatory Staff (“ORS”) and Sprint Long Distance, Inc., (“SLDI” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”).

WHEREAS, on December 29, 2005, the Company filed its application requesting a Certificate of Public Convenience and Necessity to provide resold and facilities-based competitive local exchange telecommunications services in the State of South Carolina. More specifically, SLDI seeks authority to resell and provide through its own facilities competitive local exchange services to residential and business customers throughout the State excluding those areas that are served by carriers that currently have a rural exemption under 47 U.S.C. § 251(f)(1). In addition, SLDI requests flexible regulation for its local exchange services in accordance with the policy and procedures set out in Order No. 98-165 in Docket No. 97-467-C, which was previously approved for Sprint

Communications Company L.P. in Order No. 2003-383 in Docket No. 2003-150-C. SLDI was previously granted authority to provide resold intrastate interexchange telecommunications services by the Public Service Commission of South Carolina (the "Commission") in Order No. 2005-689, issued on December 8, 2005, in Docket No. 2005-238-C.

WHEREAS, on January 18, 2006, the Commission issued a Notice of Filing and Hearing and set return dates for the hearing in the above captioned matter scheduled to be heard before a Hearing Examiner on March 27, 2006;

WHEREAS, on December 29, 2005, SLDI pre-filed testimony of C. Steve Parrott with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by the Company and its request for a Certificate of Public Convenience and Necessity;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by the Company and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, as a result of its investigations, ORS has determined a) the Company intends to provide local services over a combination of delivery mechanisms through incumbent local carriers' unbundled loop networks, both copper and fiber and transport

networks, as well as via applicant constructed facilities; b) the officers of the Company possess sufficient technical and managerial abilities to adequately provide the services applied for; c) based upon the information provided and the analysis performed, the Company appears to have the financial resources necessary to provide the services proposed in its application; d) certain revisions should be made to the Company's illustrative tariffs in order to comply with state statutes and the Commission regulations; e) the services provided by the Company will meet the service standards required by the Commission; f) the provision of local services by the Company will not adversely impact the availability of affordable local exchange service; g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone service at affordable rates; h) the provision of local services by the Company will not adversely impact the public interest; i) if the Application is granted, SLDI plans to commence offering service upon the establishment of the appropriate and necessary interconnection arrangements; and j) prior to commencing operations within the State, the Company will file a final tariff for approval.

WHEREAS, on February 27, 2006, SLDI filed and served its motion for expedited review of its Application and prefiled the verified testimony of C. Steve Parrott (the verified testimony of C. Steve Parrott was identical to that filed December 29, 2005);

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to a comprehensive settlement of all issues in this docket.

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree and consent to SLDI's motion to expedite the Commission's review of SLDI's Application. Consequently, the Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed verified testimony of SLDI Witness C. Steve Parrott, and further agree to stipulate the verified testimony of C. Steve Parrott into the record without hearing or cross-examination by ORS;

2) SLDI agrees to submit into the record before the Commission revised tariffs in accordance with ORS recommendations;

3) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold and facilities-based competitive local exchange telecommunications service within the State of South Carolina;

4) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-610 (location of books and records), 103-631 (publication of directories), 103-603 (Uniform System of Accounts) and any Commission rules or policies requiring a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"), and the Parties agree to the reasonableness of a waiver of 26 S.C. Code Ann. Regs. 612.2.3 (Operating Area Maps);

5) ORS does not oppose the Company's request that the Commission allow it to employ a flexible local exchange rate structure as described in its application and as first authorized by the Commission in Order No. 98-165 in Docket No. 97-467-C;

6) When the Company interconnects at the same local tandem switch, the Company agrees to negotiate exchange of traffic arrangements with all incumbent local exchange carriers which interconnect at the same local tandem; the Company agrees to

file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting;

7) The Company understands that there are many incumbent Local Exchange Carriers (“ILECs”) which may wish to preserve their rural exemption under the Federal Telecommunications Act, as amended. No rural ILEC intervened or filed a protest with regard to SLDI’s application in the instant docket. Nevertheless, as expressed in the verified prefiled testimony filed in this docket, the Company commits to those guidelines contained in the stipulation filed between the SCTC and Pac-West Telecomm, Inc. on December 5, 2005.

8) The Company agrees to comply with South Carolina Code Section § 58-9-300 entitled “Abandonment of Service.” Additionally, the Company agrees to adhere to the Federal Communication Commission rules 47 C.F.R. §§ 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

9) The Company agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center” also known as “911 service.” The Company agrees to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with

information regarding the Company's operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

10) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B) (1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

11) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein;

12) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future

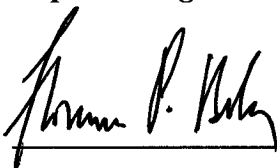
proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation;

13) This Settlement Agreement shall be interpreted according to South Carolina law;

14) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

A handwritten signature in black ink, appearing to read "Wendy B. Cartledge", is written over a horizontal line.

Wendy B. Cartledge, Esquire
Florence P. Belser, Esquire
Office of Regulatory Staff
Post Office Box 11263

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Columbia, SC 29211
Phone: (803) 737-0863
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Email: wcartle@regstaff.sc.gov
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Representing SLDI



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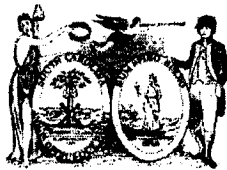
STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

EXHIBIT 1

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

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LEWIS LAPINE
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HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: In the Matter of the Application of Sprint Long Distance, Inc. for Authority to Provide Resold and Facilities-Based Competitive Local Exchange Service.

DOCKET No.: 2005-407-C

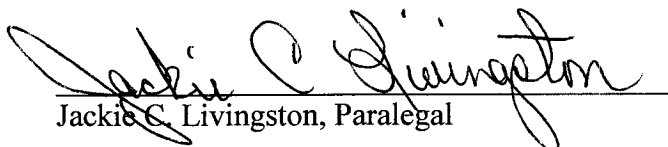
PARTIES SERVED:

Wendy B. Cartledge, Esquire
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211

PLEADING: Settlement Agreement

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SC PUBLIC UTILITY
COMMISSION

March 3, 2006


Jackie C. Livingston, Paralegal